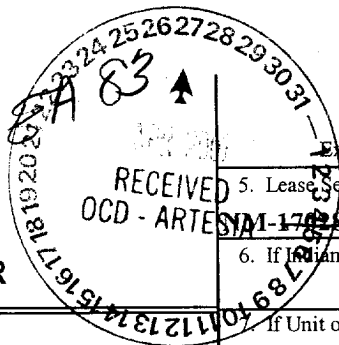


UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER



OMB No. 1004-0136
Expires November 30, 2000

1a. Type of Work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. 17206	
b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name Not Applicable	
2. Name of Operator Yates Petroleum Corporation		7. If Unit or CA Agreement, Name and No. Not Applicable	
3A. Address 105 South Fourth Street Artesia, New Mexico 88210		8. Lease Name and Well No. Dorothy VO Federal #2	
3b. Phone No. (include area code) (505) 748-1471		9. API Well No. 30-005-63376	
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 1500' FNL and 1300' FWL At proposed prod. Zone same as above Unit E		10. Field and Pool, or Exploratory Wildcat Basement	
14. Distance in miles and direction from nearest town or post office* Approx. 18 miles Northeast of Roswell, NM		11. Sec., T., R., M., or Blk. and Survey or Area Section 14, T8S-R26E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 1500'		12. County or Parish Chaves	
16. No. of Acres in lease 1266.78		13. State NM	
17. Spacing Unit dedicated to this well 320 N/2		18. Distance from proposed* location to nearest well, drilling, completed, applied for, on this lease, ft. 1 1/2 miles	
19. Proposed Depth 6370'		20. BLM/BIA Bond No. on file 585997	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3934' GL		22. Approximate date work will start* ASAP	
23. Estimated duration 30 Days			

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- | | |
|---|---|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification. |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized office. |

25. Signature	Name (Printed/Typed) Cy Cowan	Date 1/29/01
Title: Regulatory Agent		
Approved by (Signature) 	Name (Printed/Typed) Armando A. Lopez	Date 4/26/01
Title: Acting		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on reverse)

DISTRICT I
1626 N. French Dr., Hobbs, NM 88240
DISTRICT II
811 South First, Artesia, NM 88210
DISTRICT III
1000 Elc Brasos Ed., Artesia, NM 87410
DISTRICT IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised March 17, 1999
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
		Wildcat Basement
Property Code	Property Name	Well Number
	DOROTHY "VO" FEDERAL	2
OGED No.	Operator Name	Elevation
025575	YATES PETROLEUM CORPORATION	3934

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	8S	26E		1500	NORTH	1300	WEST	CHAVES

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Cy Cowan</i></p> <p>Signature</p> <p>Cy Cowan</p> <p>Printed Name</p> <p>Regulatory Agent</p> <p>Title</p> <p>January 29, 2001</p> <p>Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>1/25/2001</p> <p>Date Surveyed</p> <p><i>WILLIAM L. JONES</i></p> <p>Signature & Seal of Professional Surveyor</p> <p>3640</p> <p>Certificate No. 3640 Jones RLS 3640</p> <p>DOROTHY 2 C/D WL-1</p> <p>GENERAL SURVEYING COMPANY</p>

YATES PETROLEUM CORPORATION
Dorothy VO Federal #2
1500' FNL AND 1300' FWL
Section 14-T8S-R26E
Chaves County, New Mexico

The estimated tops of geologic markers are as follows:

San Andres	1055'	Cisco	5715'
Glorieta	2115'	Penn Clastics	5860'
Yeso	2230'	Mississippian	6045'
Tubb	3670'	Ordovician	6110'
Abo	4430'	Basement	6265'
Wolfcamp	5165'	TD	6370'

2. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered:

Water: 250'-350'
Oil or Gas: All Potential formations

3. Pressure Control Equipment: BOPE will be installed on the 8 5/8" casing and rated for 2000# BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. See Exhibit B.

Auxiliary Equipment:

A. Auxiliary Equipment: Kelly cock, pit level indicators, flow sensor equipment, and a sub with full opening valve to fit the drill pipe and collars will be available on the rig floor in the open position at all times for use when kelly is not in use.

4. THE PROPOSED CASING AND CEMENTING PROGRAM:

A. Casing Program: (All New)

<u>Hole Size</u>	<u>Casing Size</u>	<u>Wt./Ft</u>	<u>Grade</u>	<u>Thread</u>	<u>Coupling</u>	<u>Interval</u>	<u>Length</u>
12 1/4"	8 5/8"	24#	J55	8RD	ST&C	0-1000'	1000'
7 7/8"	5.5"	15.5#	J55	8RD	ST&C	0-6370'	6370'

1. Minimum Casing Design Factors: Collapse 1.125, Burst 1.0, Tensile Strength 1.80
2. A 2,000 psi BOP will be nipped up on the 8 5/8" casing and tested to 500 psi. YPC requests a variance be granted in requiring the casing and BOPE to be tested to 2000 psi to testing the casing and BOPE to 500 psi. The rig pumps will be used to test the casing and BOPE. Rig pumps used in this area cannot safely test above 500 psi. We would have to go to the greater expense of hiring an independent service company to do the testing. Also, the bottom hole pressure in this field is proven to be near 500 psi due to depletion. A shut in surface pressure would be less than 500 psi. The Abo formation usually requires stimulation before it flows. We feel that a 500 psi. The test will demonstrate that the BOPE is functioning properly, and in the unlikely event of a gas influx that the BOPE would be sufficient to control the well.

1000 psi
only

B. CEMENTING PROGRAM:

Surface casing: Cement with 325 sx. Lite "C" (Yld 2.0 Wt. 12.5). Tail in with 200 sx "C" + 2% CaCl₂ (Yld 1.33 Wt. 15.6).

Production Casing: Cement with 400 sx Ultra Lite "C" (Yld 1.34 Wt 13). TOC 3900'

5. Mud Program and Auxiliary Equipment:

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-1000'	FW Gel/Paper/LCM	8.6-9.6	32-36	N/C
1000'-4400'	Brine	10-10.2	28	N/C
4400'-TD	Starch/Salt Gel	9.3-10.2	32-40	<10cc

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blow out will be available at the well site during drilling operations. Mud will be checked hourly by rig personnel.

6. EVALUATION PROGRAM:

Samples: 10' samples out from surface casing to TD.

Logging: Platform Express, CNL/LDT W/NGT to TD to surface casing, w GR/CNL TD to surface, DLL/MSFL TD to surface casing, BHC Sonic TD to surface casing.

Coring: None

DST's: None

7. Abnormal Conditions, Bottom hole pressure and potential hazards:

Anticipated BHP:

From: 0 To: 1000' Anticipated Max. BHP: 400 PSI

From: 1000' To: TD Anticipated Max. BHP: 3000 PSI

Abnormal Pressures Anticipated: None

Lost Circulation zones anticipated: None

H₂S Zones Anticipated: None

Maximum Bottom Hole Temperature: 110 F

8. ANTICIPATED STARTING DATE:

Plans are to drill this well as soon as possible after receiving approval. It should take approximately 15 days to drill the well with completion taking another 15 days.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN
YATES PETROLEUM CORPORATION
Dorothy VO Federal #2
1500' FNL AND 1300' FWL
Section 14-T8S-R26E
Chaves County, New Mexico

This plan is submitted with Form 3160-3, Application for Permit to Drill, covering the above described well. The purpose of this plan is to describe the location of the proposed well, the proposed construction activities and operations plan, the magnitude of the surface disturbance involved and the procedures to be followed in rehabilitating the surface after completion of the operations, so that a complete appraisal can be made of the environmental effect associated with the operations.

1. EXISTING ROADS:

Exhibit A is a portion of the BLM map showing the well and roads in the vicinity of the proposed location. The proposed wellsite is located approximately 18 miles northeast of Roswell New Mexico and the access route to the location is indicated in red and green on Exhibit A.

DIRECTIONS:

Go east of Roswell on Highway 70 to the Acme School House continue east of the School House on Highway 70 for approx. 3.6 miles. Just before mile marker 355 the new road will start here going north off of Highway 70. The new road will go north for approx. .6 of a mile to the southwest corner of the proposed well pad.

2. PLANNED ACCESS ROAD:

- A. The proposed new access will be approximately .6 of a mile in length from the point of origin to the southwest corner of the drilling pad. The road will lie in a south to north direction.
- B. The new road will be 14 feet in width (driving surface) and will be adequately drained to control runoff and soil erosion.
- C. The new road will be bladed with drainage on both sides. No traffic turnout will be built.
- D. The route of the road is visible.
- E. Existing roads will be maintained in the same or better condition.

3. LOCATION OF EXISTING WELL

- A. There is drilling activity within a one-mile radius of the wellsite.
- B. Exhibit D shows existing wells within a one-mile radius of the proposed wellsite.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES

- A. There are production facilities on this lease at the present time.
- B. In the event that the well is productive, the necessary production facilities will be installed on the drilling pad. If the well is productive oil, a gas or diesel self-contained unit will be used to provide the necessary power. No power will be required if the well is productive of gas.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. It is planned to drill the proposed well with a fresh water system. The water will be obtained from commercial sources, possibly in Roswell, and will be hauled to the location by truck over the existing and proposed roads shown in Exhibit A.

6. SOURCE OF CONSTRUCTION MATERIALS:

The dirt contractor will be responsible for finding a source of material for construction of road and pad and will obtain any permits which may be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Drill cuttings will be disposed of in the reserve pits.
- B. Drilling fluids will be allowed to evaporate in the reserve pits until the pits are dry.
- C. Water produced during operations will be collected in tanks until hauled to an approved disposal system, or separate disposal application will be submitted.
- D. Oil produced during operations will be stored in tanks until sold.
- E. Current laws and regulations pertaining to the disposal of human waste will be complied with.
- F. All trash, junk, and other waste materials will be contained in trash cages or bins to prevent scattering and will be removed and deposited in an approved sanitary land fill. Burial on site is not approved.

8. ANCILLARY FACILITIES: NONE

9. WELLSITE LAYOUT:

- A. Exhibit C shows the relative location and dimensions of the well pad, the reserve pits, the location of the drilling equipment, rig orientation and access road approach.
- B. The reserve pits will be plastic lined.
- C. A 400' x 400' area has been staked and flagged.
- D. The pits will be put to the north.

10. PLANS FOR RESTORATION

- A. After finishing drilling and/or completion operations, all equipment and other material not needed for further operations will be removed. The location will be cleaned of all trash and junk to leave the wellsite in as aesthetically pleasing a condition as possible.
- B. Unguarded pits, if any, containing fluids will be fenced until they have dried and been leveled.
- C. If the proposed well is non-productive, all rehabilitation and/or vegetation requirements of the Bureau of Land Management will be complied with and will be accomplished as expeditiously as possible. All pits will be filled level after they have evaporated and dried.

11. SURFACE OWNERSHIP: Surface is owned by Cooper Revocable Trust c/o Carl Cooper, P.O. Box 2148, Roswell, New Mexico 88202-2148. Yates Petroleum Corporation and Mr. Cooper have reached an agreement to compensate him for surface damage on lands owned by them.
12. OTHER INFORMATION:
- A. Topography: Refer to the existing archaeological report for a description of the topography, flora, fauna, soil characteristics, dwellings, historical and cultural sites.
- B. The primary surface use is for grazing.
13. OPERATOR'S REPRESENTATIVE
- | | |
|-----------------------------|---|
| A. Through A.P.D. Approval: | B. Through Drilling Operations, Completions and Production: |
| Cy Cowan, Regulatory Agent | Pinson McWhorter, |
| Yates Petroleum Corporation | Operations Manager |
| 105 South Fourth Street | Yates Petroleum Corporation |
| Artesia, New Mexico 88210 | 105 South Fourth Street |
| Phone (505) 748-1471 | Artesia, New Mexico 88210 |
| | Phone (505) 748-1471 |
14. CERTIFICATION:
- I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions which presently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and , that the work associated with the operations proposed herein will be performed by Yates Petroleum Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

1/29/01


Regulatory Agent

YATES PETROLEUM CORPORATION

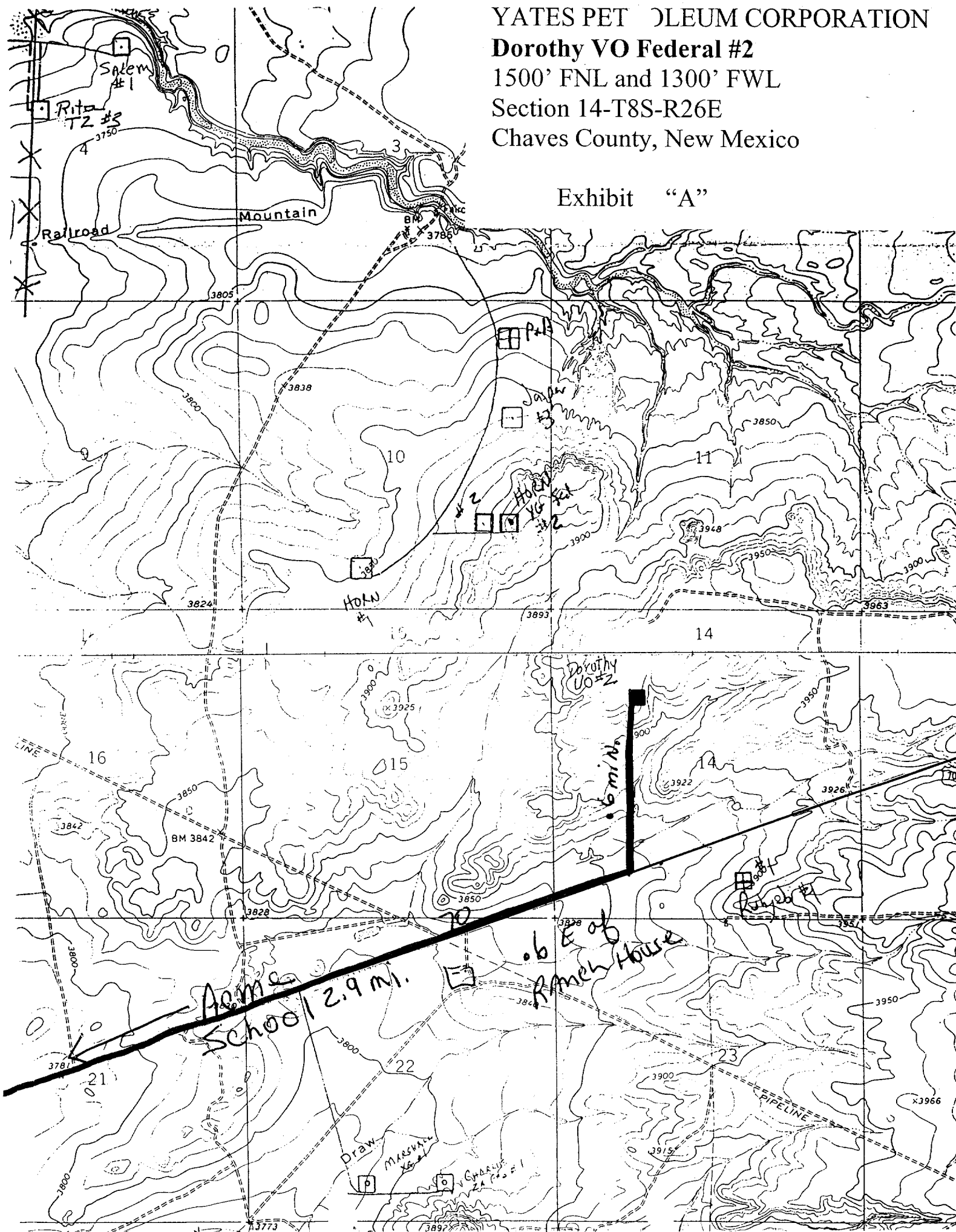
Dorothy VO Federal #2

1500' FNL and 1300' FWL

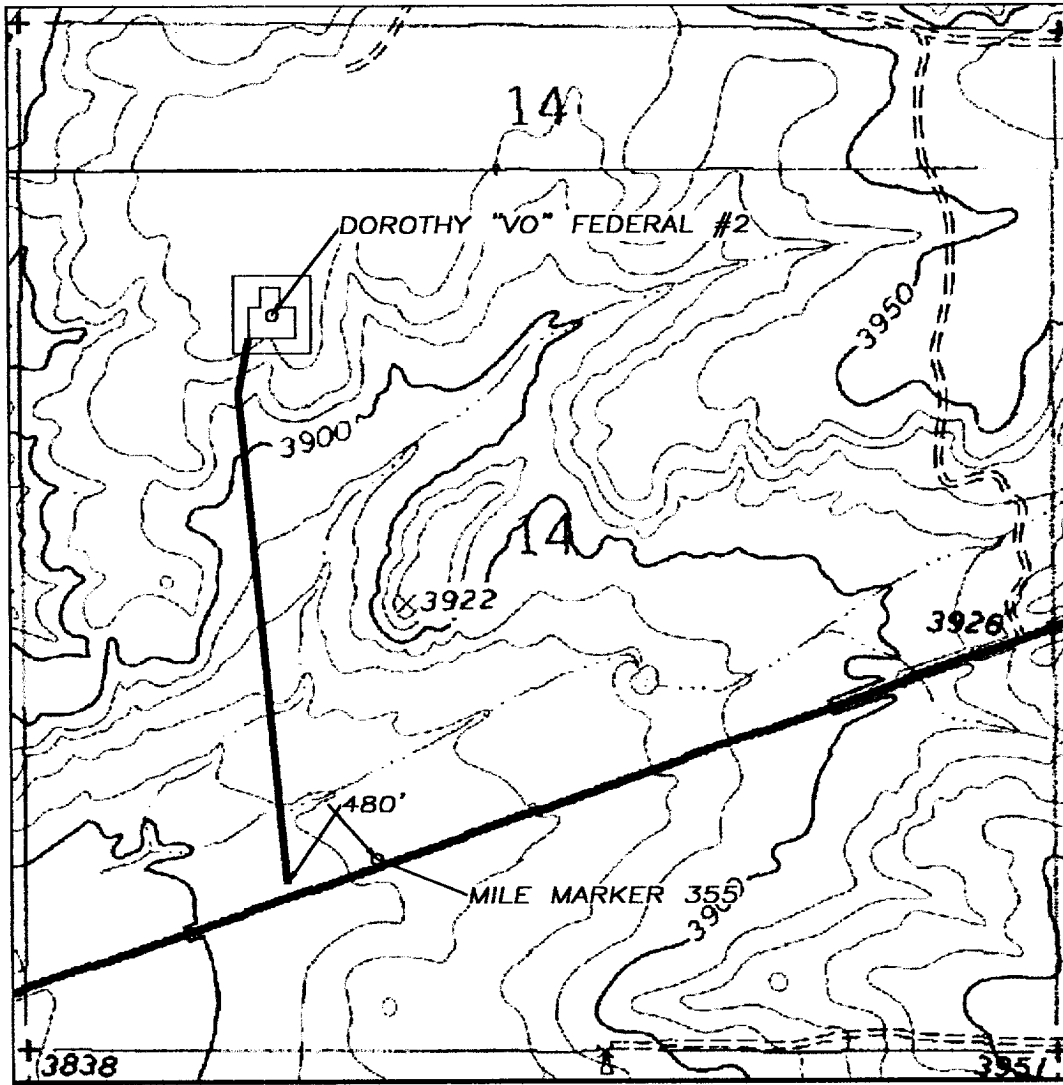
Section 14-T8S-R26E

Chaves County, New Mexico

Exhibit "A"



SECTION 14, TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.



1000' 0 1000' 2000'
Scale 1" = 1000'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

3640
HERSCHEL L. JONES R.L.S. No. 3640

GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

YATES PETROLEUM CORP.

LEASE ROAD TO ACCESS THE YATES DOROTHY "VO" FEDERAL #2 LOCATED IN SECTION 14, TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.

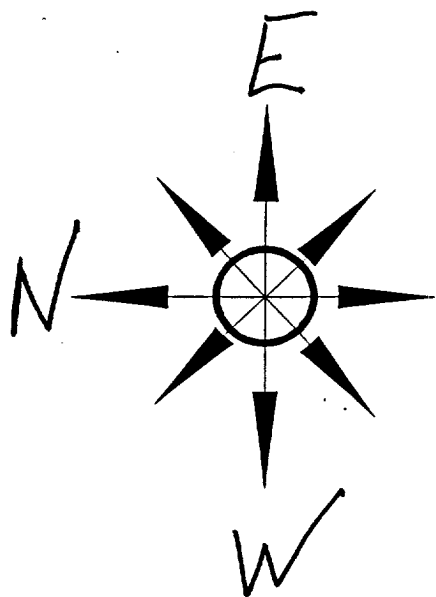
Survey Date: 1/28/2001	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 1/28/01	Scale 1" = 1000' DOROTHY 2

Exhibit "D"

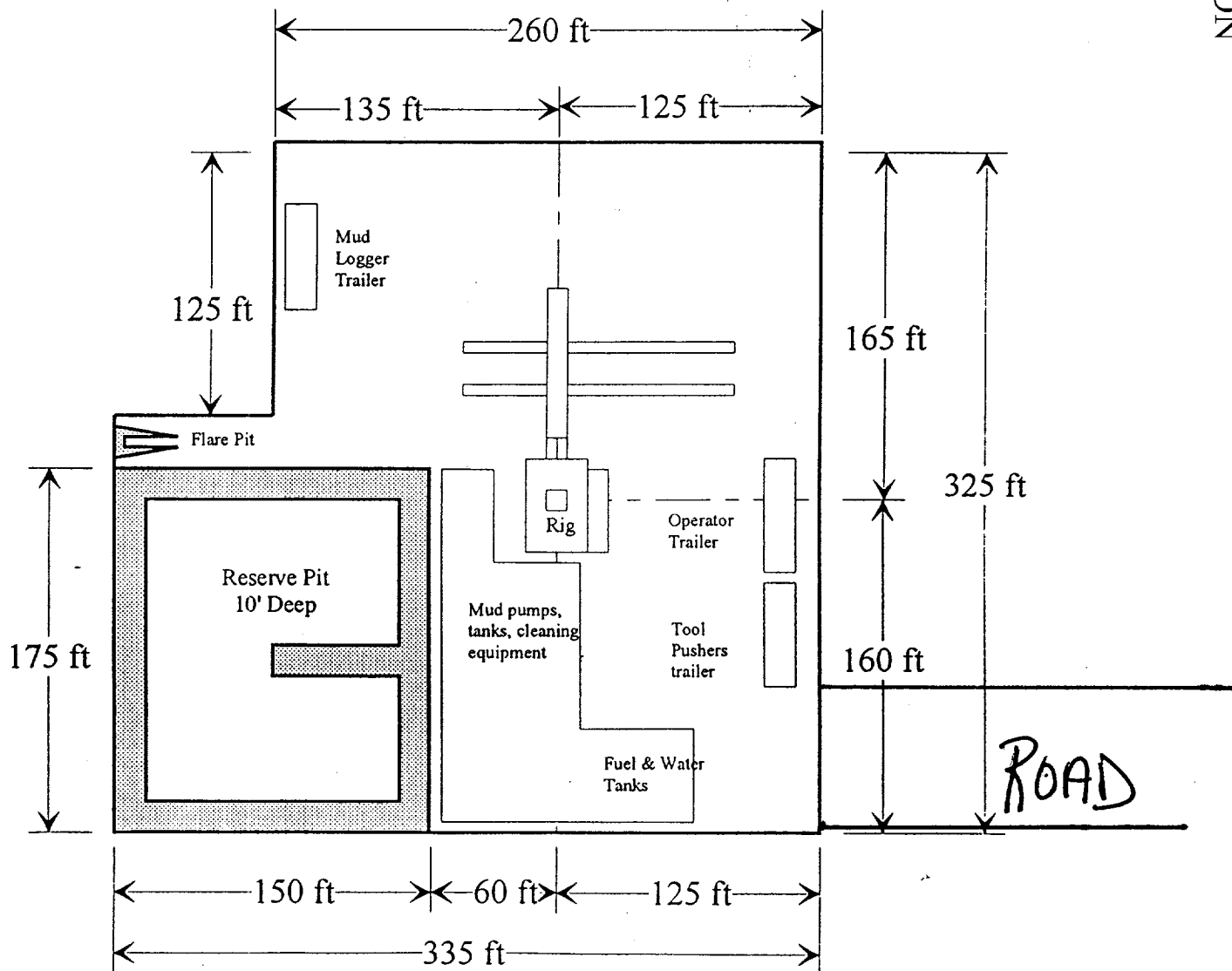
Yates Petroleum Corporation

Location Layout for Permian Basin

Up to 12,000'



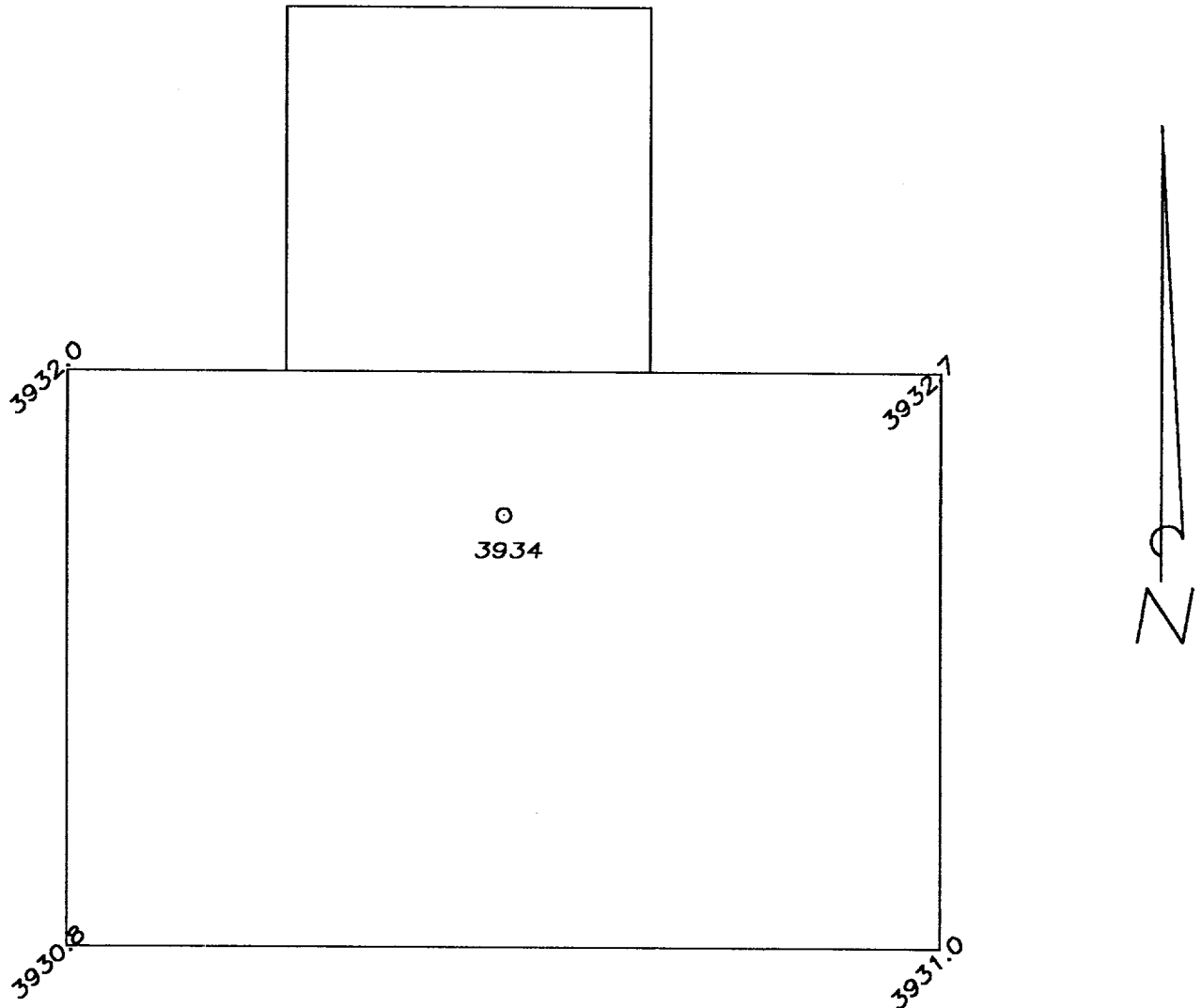
S Pits to the North.



Distance from Well Head to Reserve Pit will vary between rigs

The above dimension should be a maximum

YATES PETROLEUM CORPORATION DOROTHY "VO" FED. #2, 1500/N & 1300/W
SECTION 14, TOWNSHIP 8 SOUTH, RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW MEXICO.



50' 0 50' 100'
Scale 1" = 50'

THE PREPARATION OF THIS PLAT AND THE PERFORMANCE OF THE SURVEY UPON WHICH IT IS BASED WERE DONE UNDER MY DIRECTION AND THE PLAT ACCURATELY DEPICTS THE RESULTS OF SAID SURVEY AND MEET THE REQUIREMENTS OF THE STANDARDS FOR LAND SURVEYS IN NEW MEXICO AS ADOPTED BY THE NEW MEXICO STATE BOARD OF REGISTRATION FOR PROFESSIONAL ENGINEERS AND LAND SURVEYORS.

HERSCHEL L. JONES R.L.S. No. 3640

GENERAL SURVEYING COMPANY P.O. BOX 1928
LOVINGTON, NEW MEXICO 88260

YATES PETROLEUM CORP.

WELL PAD PLAN VIEW ON THE YATES DOROTHY
"VO" FEDERAL #2 LOCATED 1500/N AND
1300/W OF SECTION 14, TOWNSHIP 8 SOUTH,
RANGE 26 EAST, NMPM, CHAVES COUNTY, NEW
MEXICO.

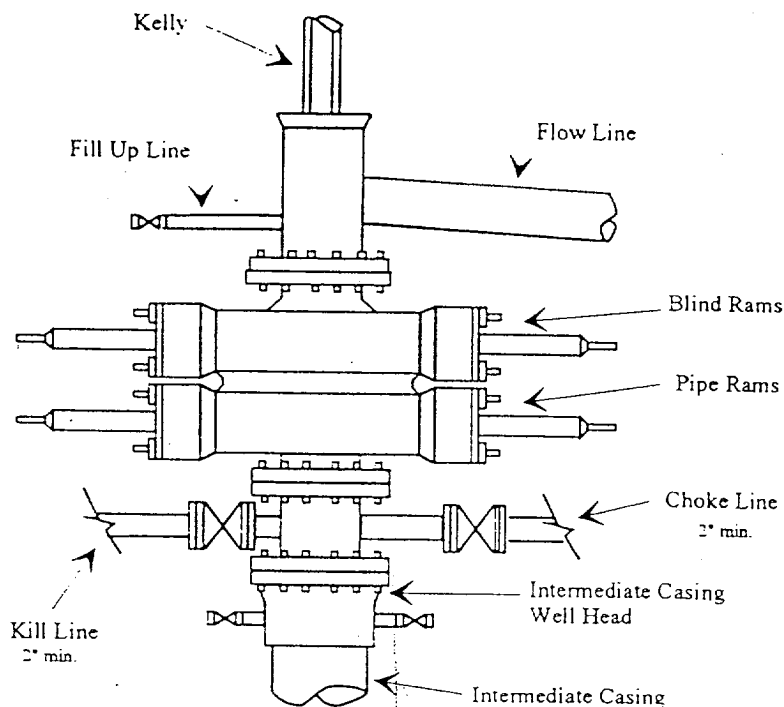
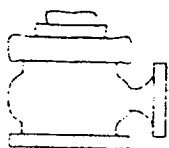
Survey Date: 1/26/2001	Sheet 1 of 1 Sheets
Drawn By: Ed Blevins	W.O. Number
Date: 1/28/01	Scale 1" = 50' DOROTHY 2

Exhibit "C"

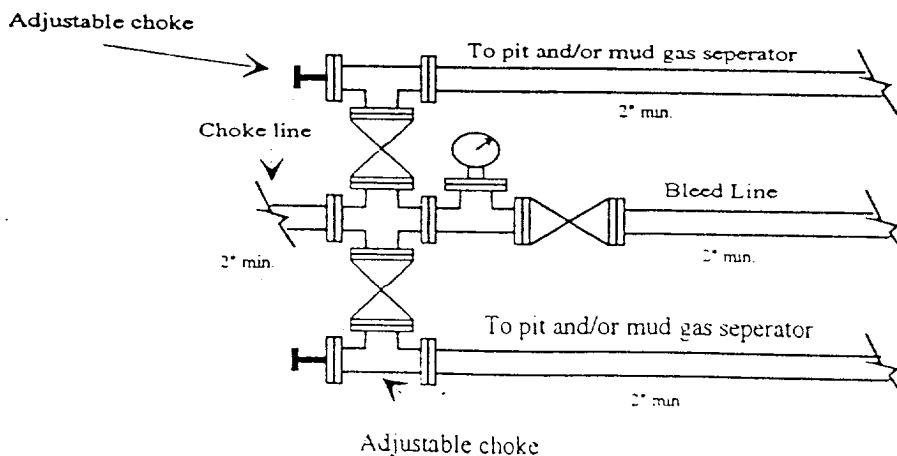
Yates Petroleum Corporation

Typical 2,000 psi Pressure System
Schematic

Double Ram Preventer Stack



Typical 2,000 psi choke manifold assembly with at least these minimum features



Chaves County, New Mexico

Exhibit "B"

